

# Who is on the PACE Team?

A successful PACE project involves five major players:

- 1) **The Property Owner:** The Property Owner is the ultimate customer and the PACE borrower. The Property Owner will realize the cost savings from the PACE project and will use those savings to pay back the PACE loan. Every project starts (and ends) with a Property Owner.
- 2) **The PACE Contractor:** The PACE Contractor is the company that does the actual work of the project and is responsible for the energy audit for the property in question and for the PACE-funded work. Importantly, this work is backed by a guarantee from the PACE Contractor that the Property Owner will save more money on reduced maintenance and utility costs than it will pay on its PACE payments. You can think of the PACE Contractor as the “GC” for the entirety of the project that is financed via PACE.
- 3) **The PACE Lender:** The PACE Lender is a private lender and the source of funds for the PACE project. The PACE Lender enters into a special assessment agreement with the property owner and the local government, making the PACE Lender the beneficiary of a tax lien on the property. With this added security, the PACE Lender provides 100% of the project cost at a fixed interest rate for up to 25 years. The PACE Lender provides the fuel to make the PACE engine run!
- 4) **The PACE Administrator:** The PACE Administrator runs the PACE financing program on behalf of the local government. In Michigan, Lean & Green Michigan currently operates in 40 local government PACE programs. The PACE Administrator leads efforts to educate all parties on PACE, brings parties together, and manages all aspects of PACE project approval and execution. The PACE Administrator is the backbone of the PACE market -- without a PACE Administrator no one can do a PACE project.
- 5) **The City of Grand Rapids:** The City of Grand Rapids has enabled PACE financing by creating a PACE program and naming Lean & Green Michigan as an Administrator. The City handles the final review and approval of each PACE project and is the first point of contact for property owners pursuing a PACE project in Grand Rapids.

Whether a project starts with a Property Owner, a Property Owner + Contractor, or a Property Owner + PACE Lender, it doesn't really matter. Before a project can be finalized all five parties will be needed: **1) Property Owner, 2) PACE Contractor, 3) PACE Lender, 4) PACE Administrator, and 5) City of Grand Rapids.**

